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GREATER HARTFORD'S BUSINESS NEWS

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PHOTO | CONTRIBUTED

CHASING WHALES

CT casinos search worldwide for high-rolling gamblers



Foxwoods President and CEO Felix Rappaport inside his establishment's high-rollers Stargazer casino, where blackjack betting starts at \$200 a hand and rises to \$10,000.

By Keith Griffin
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What's it like to be a high roller in Connecticut? On an early mid-week, March afternoon, it's the entirety of a small, private casino to yourself. You're perched high on the 25th floor of Foxwoods' Grand Pequot Tower playing baccarat in the corner, ignoring the windows overlooking the Mashantucket Pequot reservation. Just to enter this space you must have at least a \$100,000 credit

line with the casino — and actively use it.

Inside the high-stakes Stargazer Casino, a dealer stands ready at a blackjack table where the minimum bet is \$200 a hand and the maximum is \$10,000. She bears a solicitous smile.

This relatively small but well-appointed gaming area serves as Foxwoods' financial nerve center. As hundreds play the slots and table games below, it's players in this room that can determine

Continued on page 13

Bronin eyes surcharge on major property owners, nonprofits

By Matt Pilon and Gregory Seay
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As Hartford stares down mounting budget deficits over the next few years, Mayor Luke Bronin is weighing how to squeeze more revenue out of commercial property owners and not-for-profits.

The strategy may include a limited revival of a decades-long

surcharge on commercial properties that expired in 2012, and a payment-in-lieu of taxes (PILOT) program for the city's larger not-for-profit property owners.

Both ideas would require state legislative approval and were recently outlined in a bill filed with the Finance, Revenue and Bonding Committee, which is co-chaired by

Continued on page 15



Major property owners like Travelers may pay a tax surcharge under a proposed bill.



Changing of the Guard

Renowned Hartford brewmaster Ron Page — creator of City Steam's popular Naughty Nurse beer — has retired and turned over the reins to Millennial brewer Sam Pagano.

PG. 3



Reversing Course

Floyd Manufacturing Co. Inc. has been in recovery mode since going through the recession and Chapter 11 bankruptcy reorganization a decade ago. Find out how President Alfonso Floyd has steered the Cromwell precision auto-parts manufacturer to smoother terrain.

PG. 5

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New brewmaster takes over iconic Hartford beer brand

By John Stearns

jstearns@HartfordBusiness.com

City Steam Brewery in Hartford has a new brewmaster making beer, but the flagship Naughty Nurse amber ale and other popular brews aren't going anywhere. Instead, look for new beers to emerge to complement established ones as the brewery evolves with customers' tastes.

Ron Page, 62, who was brewmaster since the brewery opened on Main Street in 1997, retired this month after 19 years on the job. He created not only Naughty Nurse and Naughty Nurse IPA, but myriad other favorites like Blonde on Blonde American pale ale, Innocence IPA and Export Lager.

"It's unique to have a brewmaster for 19 years — it's unheard of," said Wallace "Ron" Ronald, general partner at the brewery and a close friend of Page.

Replacing Page is Sam Pagano, 29, who takes over his second brewmaster job after working as head brewer at Mad Jack Brewing Co. in Schenectady, N.Y.

It's a big step up in beer production and exposure for Pagano, who produced about 400 barrels last year at Mad Jack with distribution mostly in Schenectady. City Steam produces about 1,000 barrels annually at the Hartford facility and contracts for roughly another 4,000 barrels made at two other Connecticut breweries that follow City Steam recipes for its most popular brands.

Those breweries — Two Roads Brewing Co. in Stratford and Stony Creek Brewery in Branford — primarily make the Naughty Nurse, Innocence and Blonde on Blonde brands, with the Nurse beers comprising an estimated 70 to 80 percent of contract production. Two Roads and Stony Creek also offer bottling and canning lines for the four brands.

City Steam's roughly 5,000 branded barrels of beer a year equate to 155,000 gallons, or 1.24 million pints. It distributes in Connecticut, Massachusetts and Rhode Island.

Ronald doesn't immediately envision expanding output or states.

"There are so many beers out there and we're all fighting for the same shelf space

— and we're all fighting for the same taps," said Ronald, one of the principals in the company with Jay DuMond, managing partner. They also have some limited partners.

Numbers tell the story of the competition. When City Steam launched in 1997, there were 900 brewpubs, 403 microbreweries and 31 regional craft breweries nationally, according to the Brewers Association. In 2014, those numbers had soared to 1,412, 1,871 and 135, respectively.

While consumers are always looking for new beers, which could justify adding new states, Ronald is focused for now on deepening concentration in existing markets. Most of the City Steam beer made in Hartford is consumed in-house at the Main Street brewpub, with some kegs going to outside businesses like World of Beer in West Hartford.

City Steam chose to contract out production of its main beers for financial reasons.

"Why put your money in equipment when there's ample capacity out there?" Ronald said. "This was an easy way to expand without putting in a lot of money."

Beer that's bottled or canned is branded as Citysteam, one word, after a 2014 trademark suit brought by San Francisco-based Anchor Brewing Co., maker of Anchor Steam beer. The brewpub, however, can remain two words.

City Steam uses steam piped from the Hartford Steam Co. to fire its brew kettles. That was a key factor in Anchor Brewing allowing the steam name since City Steam is said to be the only brewery in the country using externally sourced steam in its beer manufacturing.

Changing of the guard

The brewmaster transition represents a changing of the guard for City Steam, from Page's more classic brewing style to Pagano's newer, more modern style. Page embraced traditional lager styles and European ales, but also produced the newer generations of beer to meet market demands.

He used a music correlation in likening himself to an "old jazz player" who put up with punk rock and rap and played it. He was proud of his ability to make a broad range of styles, but his first love was German-type beers.



As City Steam's new brewmaster Sam Pagano, shown towering over the Hartford brewpub's beer equipment, said he will experiment with new beer flavors, but also maintain popular brands like Naughty Nurse.

"I opted to be a jack of all trades ... instead of a brewmaster of just one style," Page said.

For his part, Pagano will maintain City Steam's mainstay beers like Naughty Nurse, which, as Ronald said, pays the bills, while also inventing new styles. Many of the newer styles and IPAs cater to Millennials, who are the driving force behind the craft-beer movement, according to Pagano.

Pagano likes to play around with different types of yeast strains, fruit, hops — he calls himself a "big hophead" — malts, spices and herbs. He also likes sour beers and unique Belgian brews.

"I'm not going to come in and put the place on its head, but over the course of the next few months, there will be some new stuff trickling in that probably hasn't been poured here before," he said. Pagano's first beer with his own stamp, an oatmeal stout with more richness and depth than currently served, was scheduled to be released at the brewery March 17,

followed later in the month by a white IPA with a lot of wheat malt and hops.

Pagano is no stranger to Hartford. He attended Trinity College from 2008 to 2010 to get his master's degree in English and work as an assistant football coach for the offensive line and tight ends. The 6-foot-3 Pagano played offensive left guard at the University at Albany, State University of New York, where he was elected captain as a senior and earned both all-conference and all-American honors in 2006 and 2007.

Ronald said he was so impressed by Pagano, he didn't interview anyone else for the job, believing Pagano is the right person at the right time for City Steam.

"You find these passionate people and that's what I'm hoping I have with Sam, that passionate person," Ronald said of Pagano, who pursued his passion for beer-making as a career over English or journalism.

Continued ▶

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City Steam

Ronald cites the new styles like grapefruit- and root beer-flavored beers as examples of changes in industry tastes. He pointed to Samuel Adams Rebel Grapefruit IPA as an example.

"If you're not making IPAs, you're in trouble today, you have to make what the market wants," Ronald said.

IPAs are, by far, the leading craft brand in the industry, according to Pagano, followed by pale ale.

City Steam makes a number of IPAs and its Naughty Nurse IPA, which it introduced last fall, is flying off the shelves — another Page hit.

"It's selling out," Ronald said. "We haven't been able to make enough of it yet."

City Steam also is coming out with a new IPA, but Ronald believes the nation is in the middle of an IPA craze that will eventually begin to fade. He acknowledges many beer people would not agree with him.



Retired City Steam brewmaster Ron Page.

Page, meanwhile, looks back fondly on his time at City Steam, a period he said spanned four Hartford mayors and millions of pints produced.

"A lot of people tried craft beer for the first time" at City Steam, he said, proud of his small stamp on an ancient craft.

He's also fond of the beer-related artwork, such as old beer ads, he matted and framed on the brewpub's walls, creating a kind of museum. He also created the beers' names. Naughty Nurse was named after a short, balding friend who was a male nurse at Norwalk Hospital, someone with whom he once home-brewed.

Page remembers telling his friend that if he ever got a job in a brewery, he'd name a beer after him. The name is slightly suggestive, funny without being too disruptive, said Page, who also writes poetry and whom Ronald calls a renaissance man.

Naughty Nurse, created in 1997, "just caught on — it was just the right style," Page said.

Jack Heslin, City Steam's brewery representative for Connecticut and Massachusetts, said Page "is certainly one of the most important people, brewery-wise, in Connecticut brewing history."

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WOMEN + IN BUSINESS

2016

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THURSDAY,
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Awards Luncheon honoring
8 Remarkable Women in Business

Time: 11:00am-1:45pm

Location: CT Convention Center, Hartford

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Panel Discussion

"Keys To Success"
Featuring:

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Dr. Rhona Free - President, University of Saint Joseph

Manon Cox - President + CEO, Protein Sciences

Susan Tully - President + General Manager, NBC Connecticut

Moderated By:

Jill Adams,
Principal & CEO of
Adams + Knight

8 Remarkable Women In Business Winners to be announced in the
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Alfonso Floyd

President, Floyd Manufacturing Co. Inc.

Highest education: Bachelor's degree in business administration, Morehouse College, Atlanta, 1992.

Executive insights:

"... It's all about the people. In our business, you can have the best equipment, processes out on the floor, but if you don't have the right people out there driving those processes, it just doesn't work. You have to invest in your people, you have to train [them]."

Alfonso Floyd shows rod guides his company produced for use in high-end shock absorbers. The rod guides are among myriad precision automotive parts Floyd Manufacturing makes at its Cromwell plant.

From bankruptcy to growth, Floyd navigates turbulent auto industry

By John Stearns

jstearns@HartfordBusiness.com

Floyd Manufacturing Co. Inc.'s business will shift into a higher gear if it lands a contract to make parts for auto transmissions — another positive step for a company that a decade ago was recovering from a difficult bankruptcy reorganization.

"Business has been phenomenal," said Alfonso Floyd, 48, president of the Cromwell manufacturer that machines precision auto parts, primarily for high-end shock absorbers largely installed on trucks and SUVs. It also makes steering components. Landing the transmission-parts contract looks promising and would add a major piece of business, he said.

Business significantly improved around 2013, corresponding with truck and SUV sales. But the ride wasn't always smooth for Floyd, which had 38 employees as of October.

In the early 2000s, when the auto industry was declining, suppliers were pressured to lower prices and more work left the country, he said.

"It's one of those things where you could see it coming, but you didn't want to believe it," Floyd said of the difficult times, which worsened.

The company filed Chapter 11 in 2003.

"You hear stories about companies going through Chapter 11, but to actually see how it works upfront, it's a process that I wouldn't want to go through again, but I did learn a lot," Floyd said. "I learned a lot how banks work and what they're actually looking at."

After emerging, the company lost a major customer, forcing it to react to survive. The company, then in East Berlin, called old friend, Carey Manufacturing Inc., to share manufacturing space and administrative costs. They co-located in 2007.

It was a reunification because Jack Carey, now head of Carey Manufacturing, started a machining business in 1982 and Edward Floyd, Alfonso's older brother, joined him two or three years later. Floyd Manufacturing incorporated in 1988.

They made precision parts for the aerospace industry, then ventured into auto parts. Carey later moved into industrial

hardware, making parts like catches, latches and handles, and the two growing companies eventually split into separate facilities.

While under one roof again — Floyd in one area, Carey the other — each is separate, but willing to help the other.

The biggest lesson Floyd learned from Chapter 11 was not believing signs the auto industry was declining.

"I think we just didn't react quick enough to move in other directions ... you've really got to read the tea leaves and kind of look at key things — what's going on with your customer and with your customer's customer — and you've got to react to that type of stuff because you're not going to be insulated at all," he said.

Trying to grow the company after bankruptcy, during a recession, was another challenge, until about 2013.

"What's really gotten us through is that our quality levels were very good and being able to respond to our customers when our customers needed us to respond was key," Floyd said.

Floyd, who grew up in Bristol, joined the business in 1992 after college. He worked the night shift as a machine operator, learning the manufacturing process. He later held shipping, receiving, quality-control and sales jobs before replacing Edward, who was ill, as president in fall 2004. Alfonso

became president a month after emerging from bankruptcy, but managed the reorganization because of Edward's illness, which continues to sideline him.

Floyd said his management style is to empower employees to make good decisions. He also stresses constant training.

The National Fund for Workforce Solutions recently named the Floyd and Carey companies "Young Adult Employer Champions" for helping train young people from Job Corps for manufacturing jobs. They also train students from Asnuntuck Community College and have hired about 10 people from the programs.

Floyd's hobby is piloting his four-seat Piper Arrow airplane, which he enjoys flying around New England with his wife, Kris, in digital marketing at Aetna, and son, Alexander, 10.

"That's my outlet," Floyd said. ■

Check out a video clip of Floyd's interview at hartfordbusiness.com.

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BY THE NUMBERS

\$17M

The overall fiscal 2015 financial loss posted by St. Francis Hospital and Medical Center, which was the largest loss of any Connecticut hospital.

10%

The size of the pay cut Republican state lawmakers are asking fellow legislators to take to help balance the state budget.

14,000

The number of employees at Hartford-based Laz Parking who had their social security numbers and other personal information stolen as a result of an Internet scam.

\$29,750

The average student loan debt in Connecticut for a student graduating from public and private nonprofit four-year colleges.

TOP 5 MOST READ

on HartfordBusiness.com

- More CT hospitals lost money in FY2015
- Kinder Morgan wins federal approval for CT pipeline
- Bronin points towards seeking more from larger property owners
- First delivery of large Pratt engine order
- Governor taps current deputy to run DMV

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St. Francis Hospital and Medical Center lost \$17 million in fiscal 2017.

TOP STORY

More CT hospitals lost money in FY2015

St. Francis Hospital and Medical Center and The Hospital of Central Connecticut were among at least seven Connecticut hospitals that lost money in fiscal 2015, new state data shows.

St. Francis Hospital, which joined Michigan-based Trinity Health in 2015, posted a \$17 million loss in fiscal 2015, compared to a \$15.6 million surplus a year earlier. Merger costs likely impacted St. Francis' results, as the Hartford care provider eked out a \$529,000 operating surplus during the year, which was still down from a \$14.4 million operating surplus in fiscal 2014, according to financial data published by the state Office of Health Care Access.

The Hospital of Central Connecticut posted a \$4.2 million overall loss and \$3 million operating loss in fiscal 2015, compared a \$24.4 million surplus and \$14.8 million operating surplus a year earlier.

It's not exactly clear how Connecticut hospitals performed overall last year because three hospitals — Sharon, Day Kimball and Johnson Memorial — were all given time extensions to submit their audited financial statements, OHCA said.

Of the 25 hospitals that did report their results, they recorded a combined \$425.7 million operating surplus and \$440.6 million overall surplus.

At least seven hospitals lost money overall in fiscal 2015, up from five hospitals that lost money in fiscal 2014.

GOVERNMENT, POLITICS & LAW

GOP leaders propose \$220M deficit-reduction plan

Republican legislative leaders, tired of being left on the outside looking in during budget negotiations, last week rolled out their own deficit-reduction plan. Republicans say their proposal would close the state's \$220 million current year deficit.

Republicans want to: Eliminate a \$24.2 million diversion of funds to the municipal revenue sharing account as well as \$17.8 million in new, unspent funding for direct nursing home care; make a 50 percent reduction in charter-school funding equal to \$12.9 million; and save \$8 million from a two-day furlough of state employees that would need approval by employee unions.

The proposed mitigation package would restore all \$140 million in promised funding to hospitals, of which the state's share totals \$31.6 million.

Merrill seeks licensing of tax preparers

A proposed bill seeking the licensing of tax preparers and facilitators has earned the backing of Secretary of the State Denise Merrill. She wants the licensing done through her office.

According to Merrill, in Connecticut, roughly 861,000 filers use tax preparation services. Nationally, around half of all returns were filed by unregulated preparers. If the national statistic is mirrored locally, that means around 400,000 filers are using unlicensed tax preparers.

She said every tax season, the Connecticut State Board of Accountancy receives numerous complaints and calls from individuals who have suffered harm at the hands of unregulated commercial tax preparers. The legislation would create a Board of Tax Practitioners that would oversee registration, licensure, continuing education, renewal, disclosure and enforcement for non-credentialed commercial tax preparers.

Malloy taps current deputy to run DMV

The Department of Motor Vehicle's deputy commissioner has been promoted to the top role. A business exec has been tapped to be the new deputy.

Michael R. Bzdyra, of Wallingford, who has served at the DMV since 2011 as deputy commissioner, will take over as commissioner. Previously, he worked for 13 years with the Connecticut Resources Recovery Authority as a government relations liaison and senior analyst, responsible for directing, planning and implementing the organization's governmental, legislative and regulatory activities.

Bzdyra said he will work on making the department, which went through a

disastrous new computer system roll-out last summer, more customer focused. Bzdyra replaces the former commissioner Andres Ayala, who resigned because of the ongoing IT-system changeover snafu that sharply increased customer wait times — the upgrade's opposite intent.

Judeen Wrinn of Middletown has been named deputy commissioner. She most recently worked for Voya Financial Inc. as the company's chief operations officer for retirement business, where she oversaw approximately 1,500 employees.

HARTFORD

Hartford general obligation bond ratings drop

Rating agencies have lowered two of Hartford's major bond ratings over concerns about the Capital City's weak budget performance.

Standard & Poor's Ratings Services lowered its rating on Hartford's general obligation (GO) bonds to "A+" from "AA-," and also lowered its rating on the Hartford Stadium Authority's lease revenue bonds to "A" from "A+."

"The downgrade is due to the city's ongoing weak budgetary performance," said Standard & Poor's credit analyst Hilary Sutton in a statement. The negative outlook reflects significant budget gaps in the city's long-term general fund projection. Both ratings could be lowered by multiple notches if the city fails to establish a credible plan to address these gaps, according to the rating agency.

The Stag paying \$170M for Ga. insurer

Hartford Financial Services Group Inc. says it's paying \$170 million cash for a Georgia specialty insurer. The Hartford announced last week its definitive agreement to purchase Northern Homelands Co., parent of Maxum Specialty Insurance Group. Maxum's business model is underwriting hard-to-place risks.

The acquisition, subject to the usual regulatory approvals and satisfactory closing conditions, is set to finalize in the third quarter of this year.

HEALTH CARE

Report ranks CT health favorably in U.S.

Connecticut generally scores better than the nation as a whole in the rate of premature deaths and percentage of people in poor or fair health, and in factors influencing health, according to a new report.

Among Connecticut's eight counties, Tolland ranked first on length and quality of life and Windham was No. 8 with Hartford at No. 7, according to the County Health Rankings produced by the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute. Measuring more than 30 factors that impact health, including social determinants such as education, jobs, housing, exercise, commuting times and more, Middlesex County ranked No. 1 and Windham No. 8. Hartford was No. 5.

Among health factors, 18 percent of U.S. adults are smokers, 14 percent in Connecticut; 31 percent of adults are obese (with a body mass index of at least 30) nationally, 25 percent in the state; and 28 percent of adults nationally report no leisure time physical activity, 22 percent in Connecticut.

Harvard Pilgrim books 2015 loss

Health insurer Harvard Pilgrim, which entered the Connecticut market two years ago, said it lost nearly \$55 million in 2015 on higher pharmacy costs and payments required under the Affordable Care Act.

The Massachusetts insurer, which operates in four states, this month reported a fourth-quarter net loss of \$39.7 million — its largest of 2015. In the fourth quarter of 2014, Harvard Pilgrim booked a profit of \$6.5 million.

For the full year, the insurer reported higher premium revenue, which grew from \$2.55 billion to \$2.73 billion. But it also experienced higher medical costs, which grew from \$2.14 billion to \$2.38 billion.

The company said it was required to make so-called "risk-adjustment payments" in three of its four states last year. The payments generally apply to insurers that have a less risky pool of customers.

ENERGY & UTILITIES

Northeast hydrogen, fuel cell industry had \$1.4B in revenues

The Northeast region hydrogen and fuel cell industry experienced significant growth over the last four years based on several factors such as employment, revenue and investment, labor income, and state and local tax revenue.

In 2015, the hydrogen and fuel cell supply chain contributed nearly \$1.4 billion in revenue and investment, more than 6,550 direct, indirect and induced jobs, and labor income of approximately \$620 million, according to a study by The Northeast Electrochemical Energy Storage Cluster, administered by the Connecticut Center for Advanced Technology Inc.

The study also reported that 2015 state and local tax revenues stemming from the Northeast region's hydrogen and fuel cell industry were in excess of \$83 million.

Currently, more than 600 Connecticut companies are part of the Northeast supply chain.

REAL ESTATE

Ex-Shaw's redo secures construction loan



A California realty investor paid \$2 million for this former Shaw's Supermarket in New Britain that it will convert and reopen as a self-storage facility.

A \$5.2 million construction loan has been secured for the 130,000-square-foot redevelopment of a former Shaw's grocery store in New Britain. It is scheduled for completion this summer.

DealPoint Merrill, a West Coast realty investor, plans to make the idle New Britain supermarket storefront its newest U.S. testbed for satisfying Americans' growing appetite for extra closets to stash their stuff.

DealPoint Merrill closed its \$2 million purchase of the vacant Shaw's Supermarket building at 1045 West Main St., New Britain, last August.

DealPoint Merrill portfolio manager Roger Burgin said at the time conversions of underused or vacant "big-box" retail sites are climbing nationwide, particularly as the appeal of brick-and-mortar locations yield to the exploding presence of online shopping.

MANUFACTURING

First delivery of large Pratt engine order

The first A320neo powered by Pratt & Whitney PurePower engines has been delivered to IndiGo. It is part of one of the largest engine orders in Pratt & Whitney's long history.

This is the beginning of the delivery schedule to fulfill IndiGo's order of 150 Airbus A320neo family aircraft powered by PurePower Geared Turbofan engines. IndiGo is India's largest low-cost and fastest-growing carrier.

The PurePower engine is proving to be popular internationally. In February, Brazilian aircraft maker Embraer formally rolled out its passenger jet powered with Pratt & Whitney Co.'s geared turbofan engines.

The first E-Jet E2 aircraft flight is due to take place in 2016, with deliveries expected for 2018.

Pratt said that, to date, Embraer has received orders, options and letters of intent for more than 640 E-Jets E2s.

Glastonbury's Gemma to begin N.C. construction

Glastonbury's Gemma Power Systems said it has received the go-ahead to begin engineering, procurement and construction work on a natural gas-fired power plant in North Carolina.

Gemma first announced the contract with NTE Energy for the 475-megawatt plant last year.

Gemma also has a contract with NTE for a second plant of the same size, located in Ohio.

Both projects are slated for completion in 2018.

WHAT'S AHEAD:

- 3/28 Focus: **Best Places to Work in CT**
- The List: **Best Places to Work in CT**
- Nonprofit Profile: **CT Bar Foundation**

CALENDAR

WEDNESDAY, MARCH 30

Women-Owned Business Day at the Capitol

The Women's Business Development Council is hosting a Women-Owned Business Day at the State Capitol in Hartford March 30.

The event will run from 8:30 a.m. to 12:30 p.m. and will feature an interactive discussion with key national and state leaders about the economic clout of women entrepreneurs.

The keynote speaker will be Jennifer Bisceglie, president of Women Impacting Public Policy International. Magdalah Racine-Silva, president and CEO of DMS International, will also be a speaker.

The event is free to attend.

For more information or to register contact: Kristen Hogan, 203.353.1750, khogan@ctwbdc.org.

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Richard P. Ramondetta
President
Alloy Specialties, Inc.
Manchester



Storrs Center (top), Blue Back Square (bottom, left) and New Haven's Downtown Crossing (bottom, right) are smart-growth development examples.

Smart growth drives CT's urban development

By Matthew Broderick

Special to the Hartford Business Journal

When Alexion Pharmaceuticals held the grand opening of its \$100-million global headquarters in New Haven last month, Ted DeSantos was thinking about more than just the biopharma's 14 stories of glass-encased office and lab space, or his eight years of involvement with the project.

"I thought about the work that will happen in that building and the people who will be helped by that research," said DeSantos, senior vice president of community development for Manchester civil engineering firm Fuss & O'Neill. "[Community] development is all about people for me now."

He's not alone in that thinking. Over the past 20 years, developers, civil engineers, state officials, businesses and communities across Connecticut and the U.S. have been shifting focus away from traffic-oriented engineering and urban sprawl to smart-growth development concentrated on walkable, condensed mixed-use space that combines residential, commercial and recreational usage.

DeSantos points to New Haven's Coliseum Redevelopment as a model for smart growth. The \$430-million, seven-year project will convert the former Coliseum parking lot into a community with more than 1,000 apartments, 30 restaurants, retail shops, a

four-and-a-half-star hotel and conference space. The project is a component of New Haven's Downtown Crossing development, a massive multi-year plan designed to reconnect the city's downtown with its medical district.

Alexion's new headquarters, at 100 College St., serves as one of the centerpieces to the development.

"In the 21st-century, towns will need a mixed-use ecosystem to thrive," said Max Reim, managing partner of Montreal-based LiveWorkLearnPlay, the developer spearheading the Coliseum project. "Smart growth is about efficiency and lifestyle."

Reim said the infusion of technology — to create energy efficiency and a carbon-neutral footprint — and access to educational and health and wellness amenities are essential to smart-growth development, which in turn, is driving both residential and business demand.

It's also driving economic activity — from planning phases through project completion. Reim said his company typically spends one to two years and an estimated \$3 million to \$5 million in the planning phase alone on architects, engineers, law firms and capturing community feedback before a shovel ever touches ground.

"These large-scale [revitalization] developments generate tens of millions in economic activity," Reim said. And they create jobs — a reality that state officials

Q&A

Transportation focuses on engineering innovation

Q&A talks about the challenges of urban infrastructure development with Carrie Rocha, associate vice president, Connecticut office leader of engineering-consulting firm HNTB Corp.

Q: Talk about improving I-84 through Hartford. What are going to be some of the engineering challenges if and when this project gets the green light?

A: There are many challenges to improving or replacing highways that run through major urban areas such as I-84 through Hartford. Engineers typically consider many alternatives and go through a lengthy process to determine those that meet project goals and improve safety and efficiency of travel along the highway as well as improving connections.

One major challenge is how to stage or phase construction to minimize impacts to the traveling public and allow access to neighborhoods, businesses and other destinations. Other challenges encountered on these projects include limited space for construction activities, the presence of pre-existing infrastructure such as above- and below-ground utilities, environmental and subsurface conditions, preservation of historic features and multi-modal connections.

Q: In the old days, i.e. currently, the tendency is to keep highways partially open while doing the work. But with I-84 there seems to be a sense of tearing it down and then building the new highway. What approach is going to work best and why?

A: A decision about the best approach will come after a thorough evaluation of the options weighing the impacts of each alternative. Among the factors typically considered are the expected duration of the construction process, routing of detours or other travel alternatives and the impacts to stakeholders, including the neighborhoods, business owners and highway users directly impacted by the construction.

If the decision is to keep I-84 open during construction, there are numerous examples where this has been successful. Among

them are the recently completed widening of a portion of the New Jersey Turnpike and the current construction on the I-35 Mixmaster interchange project in Dallas.

Similar highway improvement projects have been successfully completed in other parts of the country by the use of advanced traffic management technologies, the effective use of proven program management and construction management techniques that can help accelerate the completion of projects, manage costs and minimize the impact of the construction process.

Q: What are some innovations in engineering that are being used in construction to keep costs down? And keep things moving?

A: One new management technique is alternative project delivery. One alternative delivery method increasingly used today is design-build, which involves a partnership typically comprised of the design engineer with a construction contractor who conducts both the design and construction of a project. Design-build can help to shift project risk, reduce project changes and improve overall duration, which all directly impact the cost of a project.

Another area of innovation is the application of advanced-program management, general-engineering consultant and construction-management techniques. These represent comprehensive approaches that define, develop, deliver and operate major capital improvement programs. Components include risk management, financial planning, alternative delivery, communications, project controls and technology, quality and asset management.

Additionally, there is the application of creative approaches to planning and engaging stakeholders and the public that improves communications with those affected by, and benefitting from, transportation improvements. These can save time, or



CARRIE ROCHA

Associate vice president, Connecticut office leader, HNTB Corp.

Continued

Continued

THE LIST

Largest engineering firms in Greater Hartford

(Ranked by number of local licensed engineers as of March 2016)

Rank	Firm	Local lic. engineers/ Total employees	Ind. Mech.	Elec. Civil	Geo. Enviro.	Waste. Struct.	One current, noteworthy project	Top Conn. executive(s)	Year founded
1	AECOM 500 Enterprise Drive, Suite 1A Rocky Hill, CT 06067 860-571-8928; www.aecom.com	73 80,000 (1)	Y Y	Y Y	Y Y	Y Y	Construction-engineering inspection services for the reconstruction of the I-91/I-95/Route 34 interchange	Karl Brazauskas	1990
2	Milone & MacBroom Inc. 99 Realty Drive Cheshire, CT 06410 203-271-1773; www.miloneandmacbroom.com	70 150	N N	N Y	N Y	Y Y	Silver Lane entertainment and gaming facility, East Hartford	John M. Milone	1984
3	ARCADIS U.S. Inc 213 Court St., Suite 700 Middletown, CT 06457 860-503-1506; www.arcadis-us.com	55 28,000	N N	N N	N Y	Y N	CTfastrak program	Roy J. Cooper	1888
4	AI Engineers Inc. 919 Middle St. Middletown, CT 06457 860-635-7740; www.aiengineers.com	50 170	N Y	Y Y	N N	Y Y	ConnDOT Waterbury Bus Maintenance Facility, Watertown	Abul Islam	1991
5	Fuss and O'Neill Inc. 146 Hartford Road Manchester, CT 06040 860-646-2469; www.fando.com	49 262	Y Y	Y Y	Y Y	Y Y	CTfastrak Main Street overpass, New Britain	Peter H. Grose	1924
6	Vanasse Hangen Brustlin Inc. (VHB) 100 Great Meadow Road Wethersfield, CT 06109 860-807-4300; www.vhb.com	45 1,000	N N	N Y	N Y	N Y	Coltsville Corridor Streetscape improvements, Hartford	Gordon Daring	1979
7	BL Companies Inc. 355 Research Parkway Meriden, CT 06450 203-630-1406; www.blcompanies.com	45 250	N Y	Y Y	N Y	Y Y	ConnDOT CLE Bridge Program, statewide	Carolyn Stanworth	1986
8	BVH Integrated Services PC 50 Griffin Road Bloomfield, CT 06002 860-286-9171; www.bvhis.com	28 120	N Y	Y Y	N N	N Y	UConn Gant Science Complex, Storrs	James W. Ohlheiser	1958
9	CDM Smith 111 Founders Plaza, Suite 1600 East Hartford, CT 06108 860-529-7615; www.cdmsmith.com	26 5,000 (2)	N Y	Y Y	Y Y	Y Y	Program management for MDC combined sewer overflow abatement program, statewide	Larry J. Murphy	1947
10	BETA Group 1010 Wethersfield Ave. Hartford, CT 06114 860-513-1503; www.BETA-Inc.com	23 145	N N	N Y	N Y	Y Y	Yard Goats Stadium, Hartford	Najib O. Habesch	1982
11	van Zelm Heywood & Shadford Inc. (3) 10 Talcott Notch Farmington, CT 06032 860-284-5064; www.vanzelm.com	20 90	N Y	Y N	N N	N	Tufts University Science & Engineering Center, Medford, MA	Thomas A. Wunder	1930
12	CME Associates Inc. 333 E. River Drive, Suite 400 East Hartford, CT 06108 860-290-4100; www.cmeengineering.com	19 62	N N	N Y	N Y	N Y	I-91 interchange with Route 15 North and I-84 design improvements, Hartford	P. Bradford Cheney	1973 (4)
13	HNTB Corp. 1344 Silas Deane Highway, Suite 501 Rocky Hill, CT 06067 860-257-7377; www.hntb.com	17 3,718	N Y	Y Y	Y Y	N Y	Hartford Line Rail Corridor high-speed rail program rail systems and structural design	Carrie Rocha	1914
14	Loureiro Engineering Associates Inc. 100 Northwest Drive Plainville, CT 06010 860-747-6181; www.loureiro.com	16 130	Y Y	Y Y	Y Y	Y Y	Redevelopment of the former Stratford army engine plant	Jeffrey J. Loureiro Brian Cutler	1975
15	Consulting Engineering Services 811 Middle St. Middletown, CT 06457 860-632-1682; www.cesct.com	16 89	Y	Y			Arnhold Emergency Department at New Milford Hospital, New Milford	George V. Keithan, Jr.	1994
16	Burns & McDonnell 108 Leigus Road, Suite 1100 Wallingford, CT 06492 203-284-8590; www.burnsmcd.com	15 5,127	Y Y	Y Y	Y Y	Y Y	New England East-West Solution program CT, RI and MA	J. Brett Williams	1898
17	HRP Associates Inc. 197 Scott Swamp Road Farmington, CT 06032 860-674-9570; www.hrpassociates.com	12 115	Y N	N Y	Y Y	Y Y	Historic Colt Gateway site environmental and civil services, Hartford	L. Andrew White	1982

Source: Individual companies. Notes: Ind. = industrial, Mech. = mechanical, Elec. = electrical, Geo. = geotechnical, Enviro. = environmental, Waste. = wastewater, Struct. = structural.
(1) 365 employees in Greater Hartford.
(2) 60 employees in Greater Hartford.
(3) Data are from Sept. 2015.
(4) Incorporated 1986.
—Compiled by Stephanie R. Meagher.

To view the full list, please visit HartfordBusiness.com

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Largest Connecticut mergers and acquisitions

(Deals announced, pending or completed in 2015, ranked by dollar amount)

Rank	Buyer	Deal size	Seller	Unit sold	Date announced	Status (1)
1	Pfizer Inc. Groton, CT	\$160,000,000,000	Allergan PLC Coolock, Dublin, Ireland	Allergan PLC	Nov 23, 2015	(P)
2	Charter Communications Inc. (2) Stamford, CT	\$55,000,000,000 (3)	Time Warner Cable Inc. New York, NY	Time Warner Cable Inc. (4)	May 25, 2015	(P)
3	Anthem Inc. Indianapolis, IN	\$48,400,000,000	Cigna Corp. Bloomfield, CT	Cigna Corp.	Jun 15, 2015	(P)
4	The Blackstone Group LP with Wells Fargo New York, NY	\$22,500,000,000	General Electric Capital Corp. Norwalk, CT	GE Capital Real Estate debt and equity assets	Apr 10, 2015	(P)
5	Frontier Communications Corp. Norwalk, CT	\$10,540,000,000	Verizon Communications Inc. Whitinsville, MA	Wireline operations with service to California, Florida and Texas	Feb 5, 2015	(P) (5)
6	General Electric Co. Fairfield, CT	\$9,500,000,000	Alstom SA Saint-Ouen, France	Energy Activities	Apr 30, 2014	(C)
7	Lockheed Martin Corp. Bethesda, MD	\$9,000,000,000	United Technologies Corp. Farmington, CT	Sikorsky Aircraft	Jul 20, 2015	(C)
8	BMO Harris Bank NA (6) Naperville, IL	\$8,900,000,000	General Electric Capital Corp. Norwalk, CT	GE Finance and Transportation	Sep 10, 2015	(C)
9	Banque Fédérative du Crédit Mutuel (7) Strasbourg, France	\$7,500,000,000	General Electric Co. Fairfield, CT	DE FR Equipment Receivable Finance Business	Dec 3, 2015	(P)
10	Element Financial Corp. Mississauga, Ontario	\$6,900,000,000	General Electric Capital Corp. Norwalk, CT	Vehicle fleet management assets in the U.S., Mexico, Australia and New Zealand	Jun 29, 2015	(C)
11	Qingdao Haier Co. Ltd. Laoshan District, China	\$5,400,000,000	General Electric Co. Fairfield, CT	GE Appliances Inc. (8)	Jan 15, 2016	(P)
12	Starwood Capital Group Global LLC Milestone Apartments REIT Greenwich, CT	\$5,370,000,000	Equity Residential Chicago, IL	Institutional-quality portfolio of 23,262 apartment units	Oct 26, 2015	(P)
13	Sumitomo Mitsui Finance & Leasing Co. Ltd. Tokyo, Japan	\$4,800,000,000	General Electric Co. Fairfield, CT	Japanese leasing unit	Dec 15, 2015	(P)
14	Dynegy Houston, TX	\$3,350,000,000	EquiPower Resources Corp. Hartford, CT	EquiPower Resources Corp. including Brayton Point Holdings LLC	Aug 22, 2014	(C)
15	Iberdrola USA (9) New Gloucester, ME	\$3,000,000,000	UIL Holdings New Haven, CT	UIL Holdings	Feb 25, 2015	(C)

Source: Company filings and news reports.
(1) (C) = Closed, (P) = Pending.
(2) Comcast Corp. abandoned its plan to takeover Time Warner Cable Inc. in April 2015.
(3) Approximately \$79 billion including assumed debt obligations.
(4) An additional acquisition of Bright House Networks is subject to the completion of the Time Warner deal.
(5) California Public Utilities Commission approved the deal on Dec. 3, 2015.
(6) A subsidiary of Bank of Montreal Financial Group.
(7) A subsidiary of Caisse Fédérale de Crédit Mutuel.
(8) A \$3.3 billion-agreement for Sweden's Electrolux AB to acquire GE Appliances Inc. was terminated in Dec. 2015 amid opposition from U.S. antitrust regulators.
(9) On Dec. 17, 2015, the merged companies became Avangrid Inc. and began trading on the NYSE under ticker symbol AGR.
—Compiled by Stephanie R. Meagher.

To view the full list, please visit HartfordBusiness.com

Urban Development

are trying to incentivize. Alexion's new headquarters, for instance, was one of the projects supported through the state's First Five program, Gov. Malloy's economic initiative to attract and retain major employers in Connecticut. In addition to relocating 350 employees to New Haven, Alexion expects to create 200 to 300 new jobs in the state by 2017.

Reim said Connecticut's support for smart growth from state and municipal leaders and policymakers is better than most states. "It makes us want to invest in Connecticut projects," he said

DeSantos said strong coordination among state agencies is one of the main reasons smart-growth developments — from Storrs Center to West Hartford's Blue Back Square to Stamford's Harbor Point — have caught fire in Connecticut. DeSantos said because smart-growth initiatives involve transportation, housing, environmental and economic impacts, having state agencies responsible for those functions on the same page — and collaborating — is essential.

Mark Moriarty, director of public works for New Britain, agrees and sees developments like CTFastrak, the state's rapid-bus transit system, as an opportunity to build smart-growth developments around transportation infrastructures. "If we can address transit [issues], people may begin to think about [Connecticut] cities as places to be centered," Moriarty said.

That will require a cultural shift in thinking, Moriarty argues. "Connecticut is not a city-centered state; people see our cities as places to work," he said. "We need to keep those people — especially younger workers — in our cities and that's a challenge."

It's a challenge that New Britain has been chipping away at with both small- and large-scale projects

designed to make the city's downtown more walkable and pedestrian-friendly. Since 2009, Mortiaty said, New Britain has been using the Complete Street design methodology, an approach that factors in pedestrian safety to balance road design.

New Britain has also been upgrading Main Street with more mixed-use development, adding 16 apartments near the city's CTFastrak stop. "If we improve our downtown, we attract more residents, increase property values and add to our grand list," Mortiaty said.

More town leaders are taking notice of smart-growth projects across the state. "We've had people from other towns see what we've been doing and we try to learn from other communities," Moriarty said.

Reim said the constant evolution of smart-growth development is a good thing that will benefit communities. "It can work in small towns or large cities," he said. "But it needs to be contextually appropriate."

Such development may also potentially be a necessity. The U.S. Census Bureau estimates that the population of the U.S. will grow to 439 million by 2050, which the Journal of American Planning Association estimates will require an additional 89 million homes and 190 billion square feet of new offices, institutions, stores and commercial buildings.

As population growth drives demand for more compact, efficient communities, smart growth seems like a smart investment, Reim said.

His company is currently investing in 13 projects — ranging from \$200 million to \$5 billion — across Canada and the United States.

"Smart growth is our best opportunity for successful cities and towns," said DeSantos. "It's where companies and people want to be."



Ted DeSantos, senior vice president of community development, Fuss & O'Neill



Max Reim, managing partner, LiveWorkLearnPlay

Q&A: Rocha

minimize delays, in the environmental, design and construction phases of the process.

Q: What are accelerated construction techniques? How are they being implemented from an engineering perspective — and not just for highway projects?

A: Accelerated construction involves a wide range of construction techniques, processes and technologies designed to maximize construction or reconstruction operations while minimizing project delays and community disruption.

One application is accelerated bridge construction (ABC), which utilizes innovative methods of project planning, design, contracting and construction to significantly reduce time needed to replace a bridge, particularly when compared to traditional methods. ABC uses pre-fabricated components built off-site and put in place once on-site, or can involve an entire structure built off-site and transported into place.

Using ABC, a bridge can be removed and replaced in a matter of days — sometimes in one day or less — minimizing traffic disruption and traveler inconvenience. ABC is used for both highway and railroad bridges. One nearby example is on I-84

in Southeast, N.Y., where twin bridges over Dingle Ridge Road were replaced over two weekends with road closures in each direction of less than 20 hours.

ABC can reduce cost or project duration, or both. When all costs are considered, ABC is usually a very cost-effective approach.

Q: In general, how is engineering doing as a field of study? Are schools creating enough engineers to meet the needs of the industry?

A: Today, the demand for engineers is high, while supply is low.

Job opportunities for engineers are good, with starting salaries among the highest for all college graduates. Six of the 10 college majors with the highest starting salaries are in some branch of engineering.

Civil engineers are one of the largest branches of engineering in the world, accounting for one in five of all engineers working today. Civil engineering is going through a period of significant growth, projected to be 20 percent from 2012 to 2022 — faster than the average for all occupations.

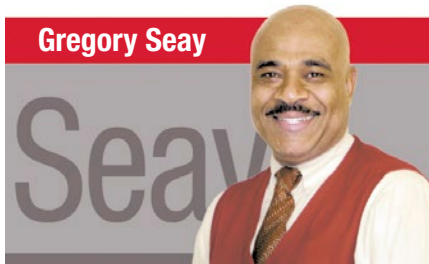
One of the biggest factors accounting for this growth is that most of our infrastructure in the U.S. was built after World War II and now needs replacement or repair.



66 N. Plains Highway, Wallingford.

The Silverman Group sells Trumbull 'flex' park for \$26.7M

Gregory Seay



The New Jersey landlord preparing a makeover of The Hartford's former suburban Simsbury office campus recently reaped \$26.7 million in the sale of a five-building Trumbull portfolio, brokers say.

The Silverman Group sold Trefoil Park, an office/laboratory/flex park at 35 Corporate Drive, to 265 West 34th Street LLC, according to broker Cushman & Wakefield, who says it located the buyer.

The five are comprised of: 35 Corporate Drive (three stories and 54,899 rentable square feet); 55 Corporate Drive (three stories and 47,264 rentable square feet); 126 Monroe Turnpike (two stories and 44,221 rentable square feet); 30 Trefoil Drive (single story and 45,615 rentable square feet); and 204 Spring Hill Road (single story and 40,675 rentable square feet).

According to Cushman, Trefoil Park is 95 percent leased to 37 corporate and industrial tenants, among them Sun Products Corp.; Enthone Inc.; Ocean and Coastal Consultants; Liberty Mutual; and Bright Horizons Children's Centers.

Late last December, Silverman Group purchased The Hartford's former 173-acre campus at 200 Hopmeadow St. from the Hartford property-casualty insurer. Silverman has since applied to the town to raze the 625,000-square-foot office building, to make way for a mixed-use development of commercial and residential space on the site.

In March 2015, Silverman Group sold the 17-story office tower at 100 Pearl St. in Hartford for \$37 million to Shelbourne Global Solutions LLC of New York.

\$375K Wallingford sale

Connecticut Plumbers & Pipefitters Apprenticeship School sold its Wallingford office condominium to American Trade Services LLC for \$375,000, brokers say.

American Trade will use the 10,000-square-foot space at 66 North Plains Highway for its headquarters.

Rocky Hill's O,R & L Commercial LLC represented the seller in the deal.

HPATV studio redo

Hartford Public Access Television has completed a \$357,000 makeover of its mid-town studios and installed modern broadcast hardware.

The upgrade focused mainly on renovating and re-equipping its outdated, 4,500-square-foot studio with new lighting, cameras and digital-broadcast gear at 20-28 Sargeant St. that HPATV's staff of seven has occupied since September 2002, studio Executive Director Gil Martinez said. HPATV has been on air for 40 years.

Integrated Solutions was lighting contractor. Unique Media Systems oversaw the control-room upgrades.

The studio obtained an approximately \$195,000 equipment grant from the state's Public, Educational and Governmental Programming and Education Technology Investment Account Fund.

In addition, the Hartford Foundation for Public Giving provided \$187,000 for new professional recording cameras, lighting grids and lighting equipment in both of its studios.

HPATV airs on Channels 5, 95 and 96 on Comcast; and Channel 99 on Frontier. The studio is open to city residents eager to sign up for production training and to submit proposals for new programming.

Cheshire office leases

St. Mary's Hospital and IAT Reinsurance Co. Ltd. have leased space at 1154 Highland Ave. in Cheshire.

St. Mary's signed for 9,190 square feet and IAT took 4,985 square feet in the building.

RPG Highland LLC is landlord. Reno Properties Group LLC was sole broker in both leases.

Vernon industrial vacancy

A 34,646-square-foot industrial facility on 5.13 acres in Vernon is available for lease, brokers say.

The property is at 60 Industrial Park Road. Included in the space is 7,686 square feet of offices; 1,200-amp power service; one dock; and three drive-in doors.

Sentry Commercial is listing broker. ■

Deal Watch wants to hear from you. E-mail it, along with contact information to: gseay@HartfordBusiness.com. Gregory Seay is the Hartford Business Journal's News Editor.

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In addition to housing the digital edition, this micro-site will be refreshed throughout the year with new information. It will be a useful extension of the print version to extend the reach, audience, and timeliness.

In Person: June 9th, 2016

Your participation in the publication includes a Special Launch Event at the CT Business Expo on June 9, 2016. Meet n' greet with state dignitaries, movers n' shakers and fellow participating companies!

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**For more information contact Donna Collins,
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PHOTO | CONTRIBUTED

The Mohegan Sun's 3,500-square-foot royal suite sits on the 36th floor of its hotel. It's a space reserved only for high rollers and occasionally entertainers. It includes multiple bedrooms, dining rooms and a spacious living room (above right).

▶ from page 1

High rollers bring risk, reward

whether a casino turns a profit each month, or lands in the red.

"A high roller who beats you badly can offset hundreds of lower-paying customers," Foxwoods President and CEO Felix Rappaport said during an interview in his corner office overlooking the Grand Pequot Tower in Mashantucket. "A high roller who loses can certainly put frosting on the cake for all the base business."

It's unknown how much money high rollers bring into Connecticut casinos, but their activity has a major impact. Mohegan Sun's parent — the Mohegan Tribal Gaming Authority — for example, credited high-end table game play for boosting its fiscal 2016 first quarter profits, which totaled \$255 million, up 3.8 percent from a year earlier.

Table game revenue grew 18.2 percent to \$93.3 million.

Marketing to high rollers has also become increasingly important, especially as casino industry competition ramps up in the Northeast, U.S. and even worldwide. Connecticut casinos are spending more to woo wealthy gamblers from across the globe, with Asian players being a significant target audience.

But while they spend more, high rollers also bring casinos more risk.

"Everything we do is pretty predictable, except the table games," Rappaport said. "To be in this business, you have to have the stomach for the wins and the losses."

Things smooth out by bringing in more customers that lose, he added. "As long as you have good controls and the game is on the up and up ... you have to have the stomach because a person could break you for \$10 million," Rappaport said.

Foxwoods' 4,800 slots are a more predictable revenue stream because for every dollar wagered the casino keeps 8 cents.

Clyde Barrow, project manager for the Northeast Casino Gaming Research Project, said high rollers can have a significant impact on casino profitability, but there's a reason casino operators don't sweat the money. Over the long run, the casino knows it will come out ahead "but that doesn't mean every now and then it doesn't happen [where they get hit for a loss]," he said.

Casinos won't shut off a high roller because "odds are he will lose it back the next time," Barrow said. Or if not, someone else will. Casinos rely on the law of averages long term.

Baccarat, for example, is the game of choice for many high rollers, Barrow said, with the odds 49.9 percent for the player vs. 50.1 percent for the casino.

Those nearly even-money chances may not sound like a major profit opportunity for a casino, but when players stake \$100,000 or \$1 million a hand, significant money is on the line.

"It's still in favor of the house by two-tenths of a percent," Barrow said.

Wooing high rollers

By some published reports, there are approximately 1,000 high rollers worldwide that casinos crave.

Many are coming from Asia, according to Barrow, and casinos have to spend more money to attract them, especially as competition keeps growing.

When Foxwoods opened in 1992 it was operating in the U.S.' third gaming jurisdiction after Las Vegas and Atlantic City. Now there are casinos in 42 states.

Throw in casinos around the world and

the competition for wealthy and non-wealthy gamblers is intense.

"They're having to offer more to attract the high rollers," Barrow said.

At Foxwoods, Asians, in general, make up 10 percent of table-game gamblers, yet they represent 40 percent of the wagering, Rappaport said. Asian marketing is especially important to the casino, which Foxwoods markets worldwide.

Ray Pineault, president and general manager of Mohegan Sun in Uncasville, said there is no standard high roller, although they tend to be men more than women and all "very successful in their own right."

Mohegan's high-end gamblers come from the U.S., China, Singapore, Indonesia, Europe and South America. The casino doesn't own a jet but will arrange private flights for players as necessary, including helicopter rides to and from New York City.

Those flights are going to become a lot shorter for some Asian players once Mohegan opens its planned \$5 billion casino at the Incheon airport in Korea, which recently received its gaming license. Pineault said the northern provinces of China are only a short two-hour flight from that destination resort, which will open in stages beginning in 2019.

At Mohegan, there is no defined minimum-spending level for what constitutes a high roller; it could take as little as a \$10,000 credit line depending on an individual's playing habits. There's also no set percentage of how much Mohegan might spend on a high-end gambler, although a player wagering \$2 million will be afforded more hospitality than one plunking down \$100,000. Factors like a player's length of stay, travel distance and gaming history are all taken into account, Pineault said.

Mohegan Sun's most loyal high-end bettors, for example, have access to the royal suite on the casino's 36th floor. It encompasses about 3,500 square feet, with multiple bedrooms, dining rooms and a living room. The suites will have their own butlers and are stocked with whatever a high roller desires.

The first master bathroom has a one-person Jacuzzi tub with six jets and underwater mood lighting as well as a separate steam shower. The second master bedroom comes with an extra-large Kohler Jacuzzi tub for four people.

Future considerations

The future of high rollers isn't clear. Right now, Rappaport said, everybody is trying to figure out Millennials. There aren't many of them yet, but they show signs of being different. Pineault said Millennials tend to be more socially oriented; Rappaport said they like to gamble as part of a diverse vacation, which is part of the reason — in addition to heightened competition — Foxwoods is trying to add more non-gaming amenities.

Currently, only about 30 percent of their revenues come from non-gaming, whereas in Vegas up to 65 percent of revenues come from hotels, night clubs, spas, restaurants and other non-gaming activities.

"The old formula of gaming and everything else being a loss leader is gone," Rappaport said. Of course, Mohegan and Foxwoods are fighting to keep every prospective customer.

They're not placing all their bets on high-end gamblers. "You need whales and non-whales," Rappaport said, using the gaming industry's nickname for high rollers. "At any given point in time, you're not going to have enough high rollers to pay the bills." ■



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Hfd. weighs fiscal options

Hartford Democrat Sen. John Fonfara.

Businesses and nonprofits are already raising concerns about the prospects of higher taxes or fees, warning that any attempts to increase the cost of doing business in Hartford may unwind progress the city has made in recent years attracting new development, residents and businesses.

But businesses also say they understand the city's fiscal outlook, which Bronin recently described as dire, signaling they may be willing to pitch in if there's shared sacrifice.

The proposal calls for the city to enter into negotiations with an unspecified number of the largest not-for-profit property owners and commercial taxpayers. Also unspecified is whether a surcharge or PILOT fee would be mandatory, and what percentage or amount each group would be asked to contribute.

An initial leaked draft of the bill published by Hartford blogger Kevin Brookman, which was different from the proposal submitted to the legislature, called for a surcharge as high as 10 percent on the city's 20 largest commercial taxpayers and a maximum 10 percent PILOT fee on Hartford's 15 largest not-for-profits.

Eversource, Travelers, The Hartford and Aetna are among the city's largest taxpayers and would be likely targets for the surcharge. Hospitals and colleges, including Hartford Healthcare, St. Francis Hospital and Medical Center and Trinity College, are among the city's largest not-for-profits.

Bronin said "the proposed bill would establish the legal authority for assessing PILOT payments and a surcharge, but the bill also makes clear that the process is meant to be as collaborative as possible."

The city's largest property owners "have a stake in a strong, successful Hartford, and all we can promise is a city that's managing its fiscal crisis honestly, transparently, and doing everything possible to build our future on a strong foundation," the first-term Democrat said.

Bronin gave a blunt assessment of the city's finances in his State of the City speech last week, likening Hartford to a household that had taken out a second mortgage and maxed out its credit cards. Debt service and pension costs are rising, and the city can't count on a state bailout. Hartford faces a \$9 million deficit in the fiscal year ending June 30, and a \$32 million deficit next fiscal year.

The bill now before the legislature would also create a "financial sustainability commission," consisting mainly of Hartford officials and appointees, to oversee budgeting, borrowing, union contracts, pensions and other matters.

Ruffled feathers

The surcharge and PILOT program proposals aren't new for Hartford.

A 2012 attempt by former Mayor Pedro Segarra to do the latter, when the city was facing a \$56 million deficit, was unsuccessful.

Meantime, Hartford commercial property owners paid a 15 percent surcharge for more than two decades, something they fought against for years until the legislature eliminated it in 2012. It was created to ease the tax burden on the city's homeowners, who have benefited from an artificially lowered property tax rate over the years. Hartford's current 74.29 mill rate is the highest in the state. Seventy percent of a commercial property's fair market value is taxed at that rate, while only about 32 percent of a residential property's value gets taxed at 74.29 mills.

Businesses have pushed for the city to

Tax-Base Disparities

This chart shows the number, percent and total value of tax-exempt properties in a number of cities and towns in Connecticut. It demonstrates how Hartford is at a disadvantage with a significantly higher percentage of tax-exempt properties than all other municipalities.

	Tax-exempt parcels	% of total	Value of exempt parcels	Share of total
LARGE CITIES				
Hartford	1,455	6.4%	\$3,758,739,591	59.1%
Bridgeport	1,895	5.5%	\$3,093,950,038	33.9%
SMALL CITIES				
Manchester	597	3.2%	\$449,156,340	11.9%
Torrington	386	2.6%	\$223,370,750	12.3%
WEALTHY SUBURBS				
Glastonbury	558	3.9%	\$249,554,640	6.7%
Litchfield	282	6.2%	\$149,668,630	13.9%
MIXED BASE				
Hamden	551	2.8%	\$723,993,227	16.6%
Windsor	448	3.7%	\$264,333,790	10.3%
RURAL				
Killingly	274	3.7%	\$179,443,790	15.1%
Union	85	11.6%	\$9,941,520	11.3%

SOURCE: CONNECTICUT TAX STUDY PANEL, 2015

bring those assessments back to parity as quickly as possible.

MetroHartford Alliance CEO Oz Griebel said that a return to a mandated surcharge, which he fought for years, "truly would send [the city] backwards." But he said he also understands the city's fiscal woes. To go along with a tax surcharge, businesses would need to know there's buy-in from both not-for-profits and residential taxpayers, he said.

"The solution here has to be comprehensive in the sense that everybody has to understand not only the scope of the problem ... but the specifics of the solution ... how long those specifics have to be in place, and what the projected and anticipated outcome is," Griebel said. "You don't go after one segment of property owners without them knowing what you're going to ask the other property owners to do."

Christopher Ostap, senior vice president/broker for commercial realty adviser Jones Lang Lasalle, said reviving the surcharge would threaten to stall or undo Hartford's recent gains in luring suburban corporate tenants to downtown buildings.

"I think [Bronin] understands," Ostap said, "that the burden can't be 100 percent borne by the corporations in downtown Hartford. We've got to figure out a way to cure that budget deficit while not putting the whole burden on businesses in downtown Hartford who are part of the solution of the Capital City's revitalization."

New York City landlord Yisroel Rabinowitz owns several downtown Hartford properties: The Grand apartments and ground-floor retail space at 201 Ann St.; and 11 Asylum St., which houses Burger King and the Hartford Parking Authority, among other tenants.

Rabinowitz said he would unwelcome any city proposal that involves raising taxes on its commercial landholders, which most likely would force him to raise rents for his downtown commercial and residential tenants.

"I definitely understand where the mayor

is coming from," Rabinowitz said, "but I believe that is not the direction to go into."

Rabinowitz noted that he went under contract recently to acquire 275 Asylum St., which houses High School Inc. and a Franklin Trust Federal Credit Union branch.

"I'm trying to show my belief in downtown," he said. "I hope the city doesn't come back and contradict my belief in what the city will be."

Aetna spokesman Walt Cherniak said the insurer is concerned about anything that might raise the cost of doing business in Hartford.

"If a property tax surcharge is proposed, we would expect that it would be part of an overall plan to get Hartford back on firm fiscal grounds, and that the state would find opportunities to offset this increased cost in other places," Cherniak said in an email.

Meanwhile, several major not-for-profit property owners, including St. Francis Hospital and Medical Center and Hartford Healthcare, declined comment on the PILOT proposal.

Trinity College spokeswoman Kathy Andrews said school officials have discussed the proposed PILOT with Bronin.

"The bill that will be considered by the state legislature could have serious ramifications for the fiscal health of our college, but we are committed to working toward solutions that sustain our relationship with the city and the significant community investments Trinity College makes that are a direct benefit to the city and our neighborhood," Andrews said. "We recognize the fiscal crisis facing Hartford and the limited revenue options available to the city."

She added that Trinity is also subject to its own financial constraints, and that added costs can lead to higher tuition.

A potential PILOT program would come just as hospitals and nonprofits face state funding cuts, likely increasing their hesitation to cough up more money to the city. In 2012, nonprofits largely rebuffed demands from the city to make voluntary PILOT payments. ■

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Tyrrell Dabrowski

Community Health Center names director of Project Echo

Middletown-based Community Health Center Inc. (CHC), a primary care provider for underserved populations, has appointed **Agi Erickson** to director of Project Echo, the virtual classroom to improve patient care by uniting medical experts to share knowledge and best practices.

In her new position within the Weitzman Institute, the research and innovations arm of CHC, Erickson will oversee and expand the teleconference program designed to improve care and treatment for people with complex health problems, including Hepatitis C, HIV/AIDS, pain management, drug abuse and mental illness.

St. Francis Hospital announces new doctors

Two doctors have joined the medical staff of St. Francis Hospital and Medical Center: **Dr. Sean H. Rhyee** as a specialist in emergency medicine and toxicology with St. Francis Emergency Medical Group, and **Dr. Jeremy C. Hwang** as an ophthalmologist with Solinsky EyeCare LLC in West Hartford.

Prior to joining St. Francis, Rhyee, who is board certified in toxicology and emergency medicine, held faculty appointments at the University of Massachusetts Medical School and University of Colorado School of Medicine.

Hwang specializes in the medical and surgical management of glaucoma, as well as cataracts and comprehensive ophthalmology.

TRC announces senior project manager in Windsor

TRC, a national engineering, environmental consulting and construction management firm, has added **Mark Kearney** to its building sciences and industrial hygiene team as a senior project manager in Windsor. He will oversee project management and client relationships.

Kearney has 29 years of environmental experience, including site assessments, management of large-scale asbestos abatement programs, and oversight of lead paint-related solutions. He is a licensed asbestos inspector and asbestos project designer in Connecticut.

Law firm Jackson Lewis names principal

Jackson Lewis PC, which represents management in workplace law, announced that **Thomas Dorer** has joined the firm's Hartford office as principal.

Dorer joins Jackson Lewis from the University of Hartford, where he was vice president, general counsel and secretary and was responsible for the legal issues impacting higher education, including employment law, student and academic affairs, regulatory compliance, Title IX, contracts, privacy law, tax law and corporate governance.

O,R&L announces executive vice president

O,R&L Facility Services has named **Michael Clary** executive vice president. Clary, a licensed broker, will help implement the company's growth strategy that includes investment and acquisition throughout the United States. He also will target new commercial real estate and facility management services opportunities along the East Coast.

Prior to joining O,R&L, Clary worked for Tavistock Group, an international private investment firm.

Simsbury Bank hires senior market manager in Granby

Simsbury Bank has hired **Ernest Meier** as a senior market manager for its Granby office to oversee the retail business line and overall market. In his market leadership role, he will develop and manage sales plans and coordinate the team serving the mortgage, commercial borrowing and investment services needs of the market, including joint business and community activities.

Meier has more than 15 years of branch management and operations experience. Most recently, he was manager of a Windsor branch of People's United Bank.

Covenant Village of Cromwell announces new sales director

Erin Hall has been named director of sales at Covenant Village of Cromwell, a faith-based, non-profit continuing-care retirement community.

In her new position, Hall will develop and execute the marketing and sales program for Covenant Village of Cromwell's 219 residential living residences, including one-story patio, cottage and apartment homes. Hall joins Covenant Village after a previous position as sales representative at VITAS Healthcare in Glastonbury.

Hoffman Nissan announces sales director

Hoffman Auto Group has promoted **Tyrrell Dabrowski** to Hoffman Nissan sales director, in addition to his current role as sales director of Hoffman Toyota and Hoffman Honda.

Dabrowski, who has spent 21 years with Hoffman Auto Group, began his career at Hoffman Ford as a sales consultant and worked his way up through every level of sales management.

Economic development official joins CERC board

Bart Kollen, deputy commissioner of the Department of Economic and Community Development, has been elected to the board of the Connecticut Economic Resource Center Inc. (CERC), the state's nonprofit economic development firm. In his role at DECD, Kollen focuses on efforts to attract businesses to Connecticut and retain companies in the state, including regular collaboration with CERC to support these activities. He has had previous positions with ING (now Voya) and the National Association of Manufacturers.

The CERC board also re-elected the following executive board members: **Shelly Saczynski**, UIL Holdings Corp., as chair; **Greg Therrien**, UIL Holdings (representing Connecticut Natural Gas), as treasurer; and **Bill Vallée**, state of Connecticut Office of Consumer Counsel, as secretary.

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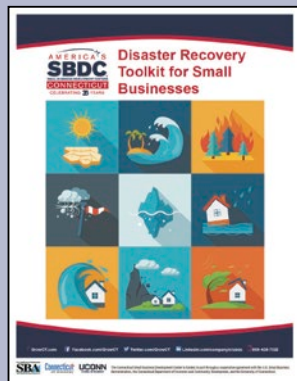
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	2013	2014
Total Employees	5	6
Total Assets	\$4,662,342	\$4,709,646
Total Liabilities	\$95,410	\$264,005

REVENUES

Contributions & Grants	\$704,444	\$740,435
Program Service Revenue	\$1,117,348	\$2,084,367
Investment Income	\$2,828	\$1,346
Other	\$60,908	\$58,050
TOTAL	\$1,885,528	\$2,884,198

EXPENSES

Grants	\$67,096	\$46,835
Member Benefits	\$0	\$0
Salaries/Employee Benefits	\$478,808	\$470,840
Fundraising Fees	\$0	\$0
Other	\$1,720,741	\$2,535,601
TOTAL	\$2,266,645	\$3,053,276
MARGIN	\$(381,117)	\$(169,078)

TOP PAID EXECUTIVES (FY 2015)

	Base Salary	Total Compensation & Benefits
Melvyn Colon, Executive Director	\$120,910	\$120,910
Dean Iaiennaro, Director, Real Estate Development	\$103,063	\$103,063
Keith Hedman, Fiscal Manager	\$88,863	\$88,863

SOURCE: GUIDESTAR IRS 990 TAX FORM

The Connecticut Council for Philanthropy will seek a new president come June. Maggie Osborn, its current head, announced last week she is leaving to become the chief strategy officer for the Forum of Regional Associations of Grant-makers (Forum) in Washington, D.C.

Osborn has been CCP president since 2013. CCP is a statewide membership organization supporting the philanthropic sector through programming, advocacy and partnerships, and is a member of the Forum, which is the largest network serving philanthropy in America.

The CCP board of directors is planning to hire an interim leader to keep the organization functioning while a search is conducted to identify a new president.

The Hartford Foundation for Public Giving awarded a three-year, \$165,000 grant to the Hartford Consortium for Higher Education for its Career Beginnings Bridge program.

The program will allow more than 200 high school students from Bloomfield, East Hartford, Hartford and Manchester to receive support to help them not only get accepted into college, but to continue on and graduate.

The Village for Families and Children has been awarded a \$10,000 grant by Massachusetts Mutual Life Insurance Co. and

its employees through its annual employee-giving program, Mutual Impact. The grant will support The Village's Family Financial Stability Initiative, which helps low-to-moderate-income individuals manage their finances and achieve their financial goals.

Wells Fargo is partnering with the American Red Cross Connecticut and Rhode Island Region for the Ready 365 Giving Program. As part of the partnership, Wells Fargo contributed \$50,000 to the campaign. Wells Fargo's contribution will support American Red Cross emergency preparedness and response services in Connecticut and Rhode Island, with the goal of reducing injuries and deaths from home fires.

The Hartford announced its founding sponsorship of the Smithsonian's newest museum, the National Museum of African American History and Culture. The company made a \$1 million contribution over five years to support the design and construction of the building, scheduled to open Sept. 24 in Washington D.C.

The Tariq Farid Foundation, based in Wallingford, is awarding a \$7,500 grant to the Literacy Volunteers of Greater New Haven. The grant will support their goal to create completely literate communities in Greater New Haven, Meriden, Wallingford and the Valley.

TOWN PROFILE

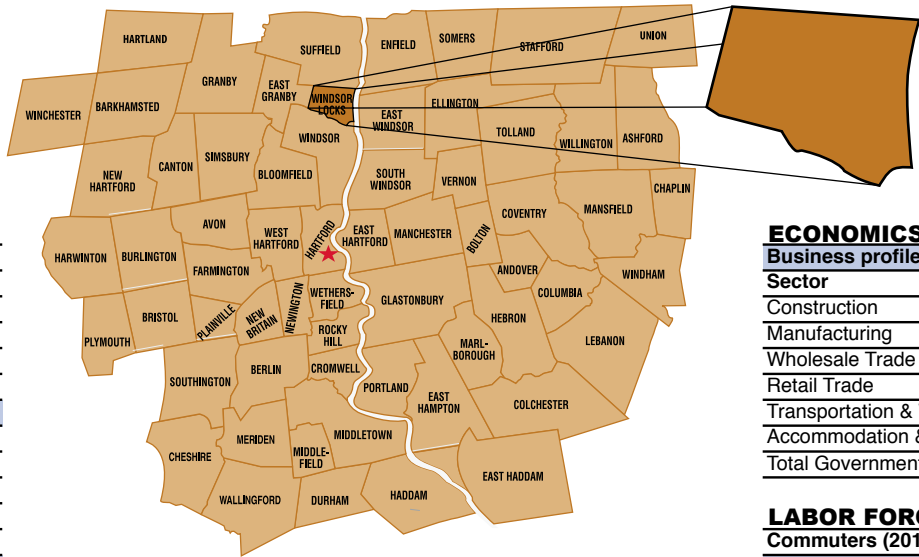
Land area (sq. miles)	9
Pop./sq. mile (2011)	1,392
Median age (2011)	42
Households (2011)	5,224
Median HH Inc. (2011)	\$67,222

Population (2010-14)	
2000	12,043
2010	12,498
2012	12,554
2020	12,997

Race/Ethnicity (2010-14)	
White	10,230
Black	563
Asian Pacific	965
Native American	0
Other/Multi-race	306
Hispanic	548

HOUSING	
Housing stock (2010-14)	
Existing units (total)	5,521
% single unit	73.0%
New permits auth. (2014)	11
as % existing units	0.20%
Demolitions (2014)	0
Residential sales (2013)	116
Median price	\$202,100

Top 5 Employers	
UTC Aerospace	
Ahlstrom Nonwovens LLC	
Bombardier Aerospace	
C&S Wholesale Grocers Inc	
Health New England	



WINDSOR LOCKS

Town Hall: 50 Church St.
Windsor Locks, CT 06096
(860) 292-8696

ECONOMICS		
Business profile (2014)		
Sector	Units	Employment
Construction	38	355
Manufacturing	20	3,929
Wholesale Trade	30	1,016
Retail Trade	37	290
Transportation & Warehousing	64	2,315
Accommodation & Food Services	48	1,012
Total Government	22	1,540

LABOR FORCE		
Commuters (2014)		
Commuters into town from:		
Windsor Locks	961	Suffield 326
Hartford	745	East Hartford 275
Enfield	649	Manchester 262
Windsor	437	

Labor Force (Residence)	
Employed	7,281
Unemployed	6,823
Unemployment Rate	458
	6.3%

Place of Work (2014)	
# of units	456
Total Employment	12,585
Manufacturing Employment	3,929

TOP 5 GRAND LIST		
Company	Amount	% of Net
Ean Holdings LLC	\$46.4M	3.6%
Hamilton Sunstrand Corp	\$37.8M	2.9%
Hertz Vehicles LLC	\$29.7M	2.3%
PV Holding Corp	\$29.3M	2.2%
Arch Windsor Locks LLC	\$22.0M	1.7%

Source: Connecticut Economic Resource Center, www.cerc.com



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CERC welcomes Courtney Hendricson, our new Vice President of Municipal Services.



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EDITORIAL

No good options for city or state

The economic and fiscal storm clouds hanging over the State Capitol have now engulfed the entire city of Hartford.

Indeed, the state of permanent fiscal crisis that saturates state government's finances has spread its ugly tentacles to the Capital City, and there appears to be no easy remedies to either problem.

The alarm bells sounded by newly minted Hartford Mayor Luke Bronin — who is calling for significant spending cuts, city layoffs and potential revenue increases to deal with double-digit deficits for the foreseeable future — are both terrifying and enlightening.

Frankly, it's refreshing to hear a politician come clean on Hartford's true short- and long-term fiscal outlook, and the dire straits the city is in. An individual or group of people can't fix a problem until they know the true extent of it. Bronin has made it crystal clear that an estimated \$9 million deficit this fiscal year and \$32 million deficit next year are only the tip of Hartford's fiscal iceberg.

Unfortunately, hard truths inevitably hurt, and the need to raise new revenues — through tax increases or other methods — now seems more likely in the years ahead from both the city and state. While Bronin told WNPR last week that a property tax increase, particularly on small business owners, would "risk killing a city," the mayor has already hinted at the need for the city's largest commercial property owners and nonprofits to contribute more.

That will make Hartford a tougher sell to businesses. That's unfortunate, particularly as Hartford has been gaining momentum in recent years with new companies and residents entering the city, and the prospects of UConn's downtown campus opening in 2017.

And things could get worse before they get better. Municipalities have largely been spared from budget cuts since Gov. Dannel P. Malloy took office, but top Democratic leaders are now eyeing reductions to city and town aid to plug the state's burgeoning deficit. Bronin knows that a state bailout, even for the Capital City, would be a tough ask.

It's likely the state's fiscal problems will increasingly trickle down to municipalities in the years ahead.

Now more than ever, Hartford's mayor must bring businesses to the budget-negotiating table and allow them to be key players in helping solve the city's problems. Not only is their support crucial in preserving Hartford's tax base, but they have intellectual capital that can bring new ideas to solving age-old municipal finance problems.

To his credit, Bronin has shown a willingness to work with the business community, which has high hopes for the novice mayor. He's even tapped a top private-sector executive — Phoenix Cos. Chief Financial Officer Bonnie Malley — to serve in his administration as chief operating officer. Malley hasn't started yet, but her appointment should bring new perspectives to city hall.

The business and nonprofit communities must also be willing partners. If Bronin can articulate a vision and plan for the future that offers short-term pain in exchange for long-term growth and stability it may be the city's only path forward.

Bronin also continues to promote the need for regionalism, which we fully support. If Hartford continues to stand alone, its economic disadvantages — including a larger percentage of tax-exempt properties and higher poverty rate, among others — will continue to weigh the city down.

Much more needs to be done to knock down the walls between municipalities so that resources can be shared and savings derived. It's an imperative for both the city and the state to manage through these choppy fiscal waters. ■

► If Hartford continues to stand alone, its economic disadvantages ... will continue to weigh the city down.

RULE OF LAW

Spending cap resolution seems unlikely

By John Horak

When I retire I plan to write a book about Connecticut's constitutional spending cap. It will discuss how the cap was intended to restrain spending when it was put in the constitution in 1992, how lawmakers have spent the state to the brink of insolvency, and how the legislature created a "Spending Cap Commission" in Dec. 2015 to fix unresolved legal glitches in the cap.

The underlying motifs of law, politics and finance should make for interesting reading, and it will cover several issues.

The initial chapters will discuss points made in previous columns I've written on this topic.

First, the cap has lingered in legal limbo since 1992 because the legislature has ignored the cap's directive to define (with a 60 percent majority) the economic terms necessary to enforce the cap's full implementation.

Second, the legislature's abdication of duty has resulted in two dueling attorney general opinions about the cap: a 1993 opinion saying it is enforceable, and a 2015 opinion saying it is not enforceable. Third, our current budget was approved with a vote inconsistent with the 1993 opinion, but consistent with the 2015 opinion. Accordingly, we do not know if our budget is lawful or not — something that will slowly dawn on bond-rating agencies.

In the next chapters I will explain how, as 2015 ended and 2016 began, it became clear that there were two ways to resolve this conundrum: The issues could be litigated and the courts could decide which attorney general opinion is correct and the state would proceed accordingly; or the legislature could fix the glitch by defining the measuring terms with the 60 percent majority — which is where the Spending Cap Commission comes in.

The Commission has been created to draft "proposed definitions" of the measuring terms for purposes of "the constitution of the state." The "proposed definitions" would then be taken to the full state House and Senate where a 60 percent majority vote would be necessary to fix the problem once and for all. The bill creating the Commission states that the Commission will terminate when it "submits its proposed definitions or by Dec. 1, 2016, whichever is later," so at least in theory it could last forever if it takes that long to draft definitions.



John Horak

The Commission could go one of two ways. It could be a success, approving definitions that will win the bipartisan support necessary to achieve a 60 percent majority vote in the House and Senate. This would resolve the legal uncertainty and bring us into compliance with the constitution. On the other hand, the Commission could prove to be a ruse — a device designed to create the illusion that lawmakers take the constitution seriously, and to appease voters in an election year — especially the 80 percent who voted to approve the cap in 1992 (which includes me).

Unfortunately, all indications are the Commission will be a ruse. Sixty-seven percent of the Commission's members will be appointed by the current majority party, and 33 percent by the minority party — so the majority party's appointees will control the drafting of the "proposed definitions," which reduces (perhaps to near zero) the chances that their proposed definitions would ever get enough minority party votes to reach 60 percent in the House and Senate.

This lopsided uni-partisan configuration is obvious enough to suggest it is intentional, and it should anger voters and lawmakers regardless of party affiliation. Majorities and minorities will inevitably end up trading places over time; and the wisdom baked into the constitutional cap's 60 percent requirement is the stability inherent in bipartisanship.

I understand that politics is a game played with a hard ball. But this is serious business and we need stewards who are able to see beyond the short-term horizons on which they seem fixated.

Nevertheless, I want my book to end on a positive note, and to increase the likelihood of that happening, I have two suggestions for the legislature — one is serious and the other is 67 percent serious and 33 percent fanciful.

During this legislative session lawmakers should make two operational changes to the Spending Cap Commission.

First, its membership should be restructured to include equal numbers from each political party — something that would greatly enhance the likelihood that any proposed definitions they draft would reach the 60 percent majority when taken to the House and Senate.

Second, while the lifespan of the Commission can remain as is, I would add a provision stating that if the work is not done by Dec. 1, the Commission would be sequestered with enough food for a week.

Of course, for this technique to work, both sides must really want to get a deal done — and I am not sure that is the case in Connecticut. ■

John M. Horak has practiced law at Reid and Riege P.C. in Hartford since 1980. His opinions are his own.

HARTFORDBUSINESS.COM POLL

Should Hartford ask the city's largest nonprofits for PILOT contributions?

☐ Yes

☐ No

To vote, go online to HartfordBusiness.com.

Last week's poll results:
What should CT do with online fantasy sports gaming?

12.5% Legalize, don't tax

62.5% Legalize, tax

25.0% Don't legalize

LETTER TO THE EDITOR

Response to op-ed from Elin Swanson Katz

To the Editor:

The response last week from Consumer Counsel Elin Swanson Katz, to an earlier Hartford Business Journal editorial, demonstrates that the continuing evolution of her government broadband proposal is still bad policy.

More than a year ago, Ms. Katz proposed building a government-run broadband network without a clear assessment of the costs to taxpayers or an honest discussion of the need for such a project.

The Office of Consumer Counsel is empowered to protect the interests of consumers, but Katz's proposals concerning broadband, at this juncture, may only cost taxpayers more money and threaten the quality of their broadband service.

*Paul R. Cianelli
President & CEO
New England Cable &
Telecommunications Assn., Inc.*

Business focus areas that enable growth

By Ken Cook

What did the manufacturing company president say when asked what enabled his company's growth over the last year? Focus, focus, focus.

Some manufacturing business leaders were talking recently about growth and one of the participants shared what he and his company did last year to expand significantly, while positioning themselves for even stronger growth in 2016.

Staying focused was a key theme; he identified and paid attention to customers where the company had a strong differentiation and strong margins.

At the end of 2014 the company did \$14 million in revenue. At the end of 2015 they were just shy of \$18 million in revenue. By the end of 2016 they expect to exceed \$24 million in revenue. That's a 42 percent revenue increase over two years, and all of it is organic growth; no acquisitions or mergers.

Of even greater impact is the fact that the company's gross margins over the two-year



Ken Cook

period will grow by over 25 percent, and the net profit will grow from 9 percent to 16 percent.

To explain further, the company paid attention to market openings, customer interactions, and their people. Here's the path they took.

They began with a detailed analysis of their customer base and where they made money. And when I say detailed I mean it. They determined on a customer-by-customer basis total revenue, gross margin, contribution margin and net profit. This entailed not only assigning to individual customers the direct costs to serve them, but the indirect costs as well. Their financial people worked overtime on the allocation formulas, but it was worth it.

Once they understood how much each individual customer was worth to the company, they prioritized the customers. The important ranking was for the contribution margin and the profitability. Gross revenue dollars mattered, but efficiency and profits mattered more.

The end result of the analysis was clear identification of market openings where the company could leverage their expertise. They learned there were a few clustered markets where their most profitable customers resided. The company's offerings were very good fits for the needs of customers in those markets. Competition existed, but it was not competition tied to price. The competitive battle was around quality and delivery.

► **Once they understood how much each individual customer was worth to the company, they prioritized the customers.**

Knowing the market opening was important. How they interacted with customers was as important. In essence, the company and customer became virtual to each other. The IT team worked with individual customers to integrate their systems. Customers could go to an online portal to place, check on and expedite orders, and personally interact with operations, sales, etc.

The transparency factor mattered most to customers, and the company took advantage of this. They invested in their IT and connectivity with customers. It gave the company a distinct advantage that the customer valued, and was willing to pay for.

The third link in the chain was to focus on their people. They trained their people on how to interact with customers, most importantly in terms of their communication skills. The company realized that what they

did enabled deals with customers. Keeping those customers relied on the ongoing relationships they developed with them.

In summary, one manufacturing company's three areas of focus that enabled growth are:

Market openings: Pursue opportunities where you are distinct and valued in the mind of the customer. This is where your return on your resources and investment will be greatest, and your potential for growth is strongest.

Customer interactions: Understand how the customer wants to connect and interact with your business. Touch points with customers shape the customer's reality. Make sure the touch points work and deliver value.

Your employees: Help employees think about the customers first. Provide the training on communication skills and relationships that strengthen the bonds with customers. What you do gets the deal; how you interact keeps the customer.

Focus enables growth. Look for the market openings where you are valued by the customers. Focus on your employees and their interactions with those customers. ■

Ken Cook is the co-founder of How to Who and co-author of How to WHO: Selling Personified, a book and program on building business through relationships. Learn more at www.howtowho.com.

EXPERTS CORNER

What small business owners should know about paid family, medical leave

By Lisa A. Zaccardelli

The General Assembly is currently considering Senate Bill 221, which would provide paid family and medical leave for state residents. While analysts contracted by the Department of Labor recently made several projections for how to implement and fund the program, how the bill will ultimately take shape is likely to be debated for some time.

Since the proposed paid family and medical leave bill currently extends to employers with as few as two workers, small business owners should consider how the program might affect them and their employees. In doing so, it is helpful to understand how paid leave laws work in other states and the current provisions of Connecticut's proposed bill.

Although the federal Family and Medical Leave Act of 1993 (FMLA) and similar state laws provide covered employees the opportunity to take unpaid leave, Rhode Island, New Jersey, Washington and California have passed laws providing paid leave to care for a



Lisa A. Zaccardelli

sick family member or bond with a newborn or adopted child. As Connecticut legislators consider how to implement such a law, it is helpful to understand Connecticut's current bill in the context of other states' policies.

The maximum length of paid leave time varies from state to state, ranging from four weeks in Rhode Island to five weeks in Washington and six weeks in California and New Jersey. The benefit amount also ranges from \$250 to more than \$1,100. To fund paid leave, employees contribute percentages of their wages ranging from 0.9 percent in California to 1.2 percent in Rhode Island. New Jersey's program, however, is funded by a 0.25 percent employee contribution, as well as employer contributions.

Under Connecticut's current proposal, the program would offer up to 12 weeks of paid family and medical leave during a 12-month period and provide 100 percent wage replacement up to \$1,000 per week. Coverage extends to employers of two or more employees and, in order to qualify for benefits, an employee must earn at least \$9,300 over 12 consecutive months.

A report recently released by the Institute for Women's Policy Research, which was contracted by the Department of Labor, estimates the program would cost approximately \$462 million annually. There would be no costs to employers, however,

► **Since the proposed paid family and medical leave bill currently extends to employers with as few as two workers, small business owners should consider how the program might affect them and their employees.**

because the program would be funded by a 0.54 percent payroll tax on all wages and bonuses. Although there are no direct costs to employers, small businesses in particular should consider how the program might affect them and their employees.

Federal and state family and medical leave laws have provisions for job reinstatement. As currently proposed under the new bill, Connecticut small businesses would greatly expand the state's FMLA coverage. Connecticut's current law states if an employee returning from leave is medically unable to perform his or her original job, that employee must be transferred to work suitable to their physical condition, if such work is available.

Assuming job restoration requirements are ultimately included in the paid leave bill, it may be costly for small businesses to keep a job open for 12 weeks while continuing to

pay for other benefits.

While the payroll tax approach would fund paid leave at no costs to employers, there are indirect costs to consider. When an employee of a small business goes on leave, his or her employer may not have the resources to find temporary staff. As a result, small business owners will need to consider how to fill in the gaps, managing employee schedules and overtime pay to ensure proper staffing. Employers may also have to find a suitable alternative job for an employee returning from leave.

Ultimately, employers large and small will need to listen to their employees to ensure their workloads are manageable and provide them with the support they need to be happy and productive over the long term. ■

Lisa A. Zaccardelli is a partner at law firm Hinckley Allen in Hartford.

ACCOLADES & MORE



PWC winners (from left) Sarah Giardini, Alondra DeLeon and Maria Loitz.

OF NOTE

PROFESSIONAL WOMEN IN CONSTRUCTION CT CHAPTER HONORED

The Professional Women in Construction's Connecticut Chapter recently recognized four women in the A/E/C (architect, engineering and construction) industry at their annual awards ceremony. Each of the winners was honored for various accomplishments in their field.

The Connecticut honorees included:

- **Maria A. Loitz**, of Bloomfield-based BVH Integrated Services P.C., received the Women of Achievement Award for achieving excellence in her field, being dedicated to the advancement of women in the A/E/C field, and serving as a good industry role model.
- **Sarah M. Giardini**, of Hartford-based The Associated Construction Co., received the Rising Star Award for demonstrating a combination of aggressive, youthful exuberance in combination with an intelligent, mature focus.
- **Alondra DeLeon**, of Glastonbury's Gilbane Building Co., received the Excellence in Mentoring award for being a positive industry role model.

...

ST. FRANCIS ALLERGIST RECEIVES NATIONAL HONOR



Dr. Kevin P. McGrath

St. Francis Hospital and Medical Center acting chief of the division of allergy **Dr. Kevin P. McGrath** was one of three physicians nationwide to receive the Distinguished Fellow Award by the American College of Allergy Asthma and Immunology (ACAAI).

The ACAAI bestows this award as a symbol of recognition of achievement and continuous interest in the specialty of treating allergic disease. In addition to his role at St. Francis, McGrath practices allergy and asthma care in his private practice in Wethersfield. He is also a clinical associate faculty member in the division of nursing at St. Joseph College in West Hartford.

...

STEP AHEAD AWARDS RECOGNIZE WOMEN FOR EXCELLENCE IN MANUFACTURING

Two Connecticut women have been recognized by the Manufacturing Institute with Women in Manufacturing STEP (Science, Technology, Engineering and Production) Ahead Awards.

The awards honor women who have demonstrated excellence and leadership in their careers and represent all levels of the manufacturing industry.



Hannah Lenoce

One honoree and one emerging leader from Connecticut have been selected:

Hannah Lenoce, a tool and die state apprentice at Cheshire-based Marion Manufacturing Co., was named an emerging leader. At 19 she was hired as the youngest woman state apprentice in the company's history and has learned to recognize areas for improvement and to leverage her education and communication skills to make them happen.



Amanda Varricchio

Amanda Varricchio, a ground test engineer at East Hartford-based Pratt & Whitney, was recognized as an award honoree for demonstrating leadership and executing across all missions she takes. She was the go-to test engineer for NGPF-30k flight test assignments, and has been integral to the success of that campaign.

OTIS EMPLOYEE VOLUNTEERS DURING READ ACROSS AMERICA WEEK



► Enfield resident and Otis Elevator employee, Brenda Ivory-Jones, was one of nearly 100 United Way of Central and Northeastern Connecticut volunteers from nearly 50 workplaces who read to students in Hartford and New Britain for the 19th annual Read Across America Day. Read Across America Day is a celebration of children's author Dr. Seuss and his birthday. To celebrate this year, volunteers read "If I Ran the Zoo" to kindergarteners.

LOCAL TECH SCHOOLS COLLECT 10,000 POUNDS OF FOOD FOR FOOD DRIVE



► The annual East of the River Food Drive was recently held among friendly competing technical high schools Ellis Tec, Norwich Tech and Grasso Tech. This year, Ellis Tech collected the most donations. More than 10,000 pounds of food was collected by the three schools and donated to the Friends of Assisi Food Bank and Feed the Need Food Pantry, both located in Danielson. Pictured are Ellis Tech's Sustainable Architecture and Masonry trade students.

CT INC. RECOGNIZED FOR HELPING UNITED WAY RAISE \$22M



► The United Way of Central and Northeastern Connecticut recently announced it raised more than \$22 million for children and families during its 2015 United Way Campaign. The campaign result was announced at United Way's sixth annual Best of Awards, which recognized organizations and individuals across central and northeastern Connecticut that demonstrated outstanding effort and creativity in leading the 2015 United Way Campaign at their workplaces. Pictured are Karen Perham-Lippman of Comcast and Jaquelynn Garafano of United Technologies Research Center, which helped raise United Way funds at their respective workplaces.

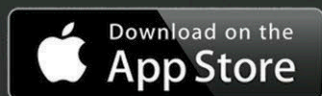
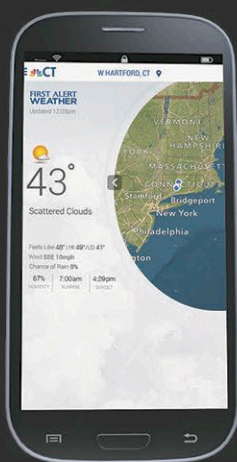


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